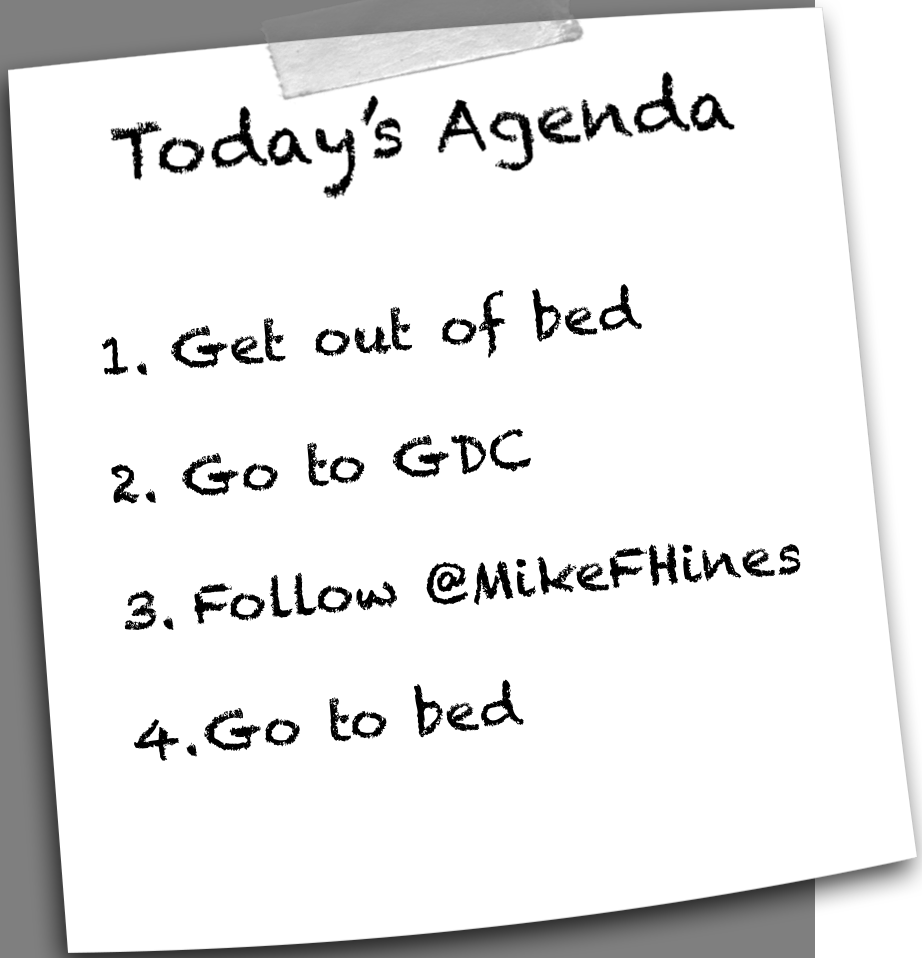


What the Top 50 Apps Do With IAP That the Rest of Us Don't

Mike Hines
Amazon.com



Amazon Appstore

TODAY'S AGENDA

How the Top 50 Did

What They Do Differently – Selling

What They Do Differently – Engagement

Amazon's Large and Active Audience

Amazon Appstore reaches **FireOS, Android, and Blackberry 10** customers



The Appstore supports a large ecosystem

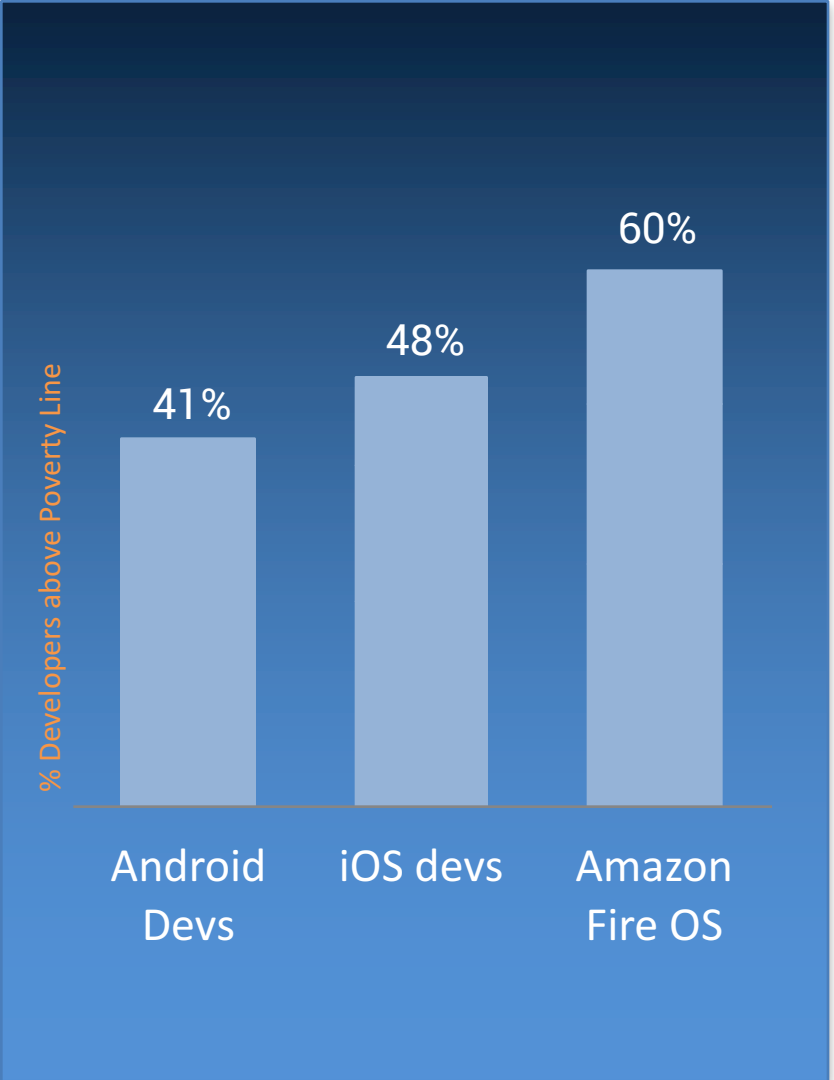
Customers are 1-Click purchase ready

Available on Android tablets and phones

The only store for Amazon devices

SELL IN 236 COUNTRIES AND TERRITORIES





How do we get more Developers earning more revenue?

An app must make more than $500 per month if it is to fund future app development and marketing.
$500 per month is the app poverty line.

Source: *Developer Economics Q3 2014 © VisionMobile, All Rights Reserved*

TOPIC 1

How the Top 50 apps did vs. the rest of us

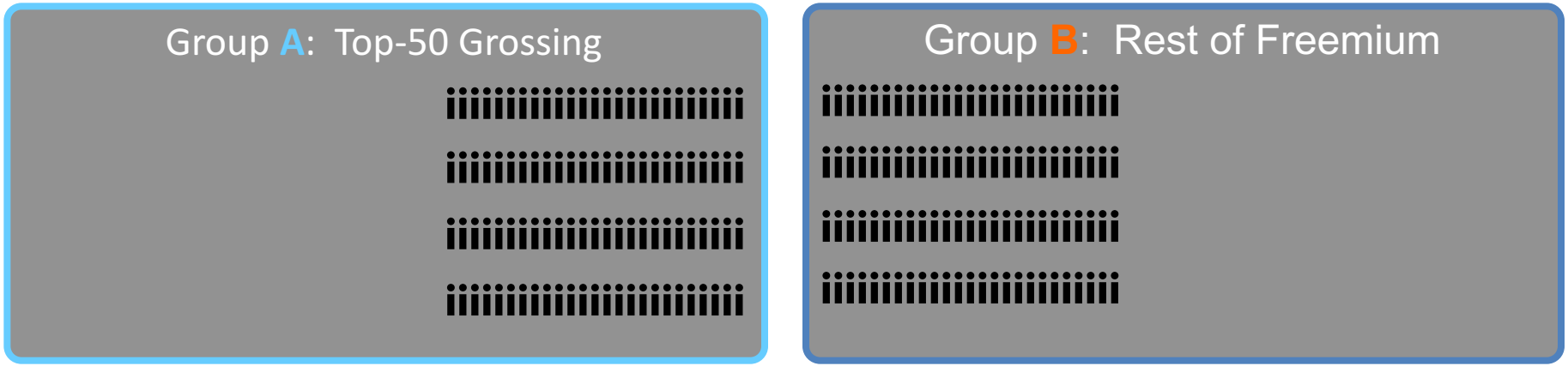
Cohort Analysis

Group A: Top-50 Grossing

Group B: Rest of Freemium

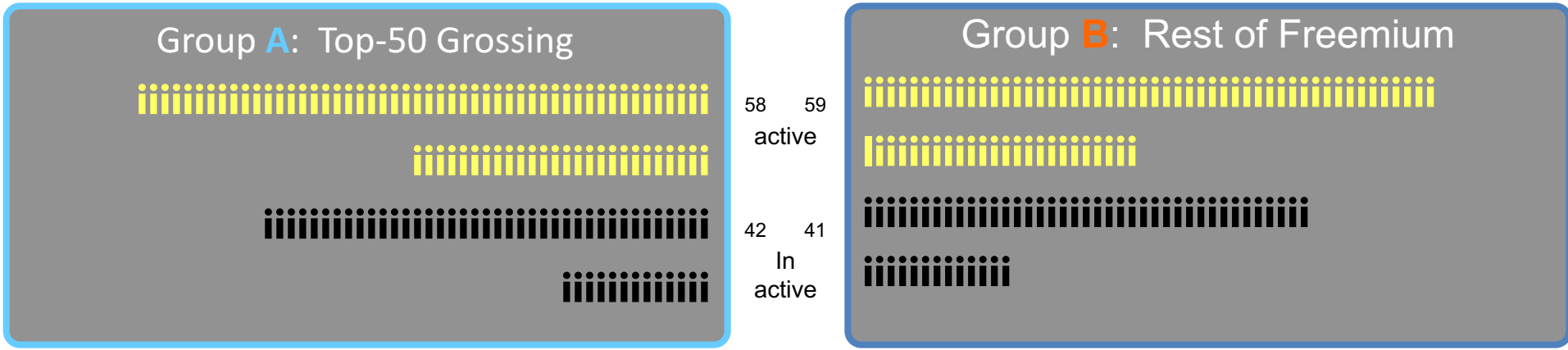
Source: Amazon Appstore, March 2014

Day 1: Installs



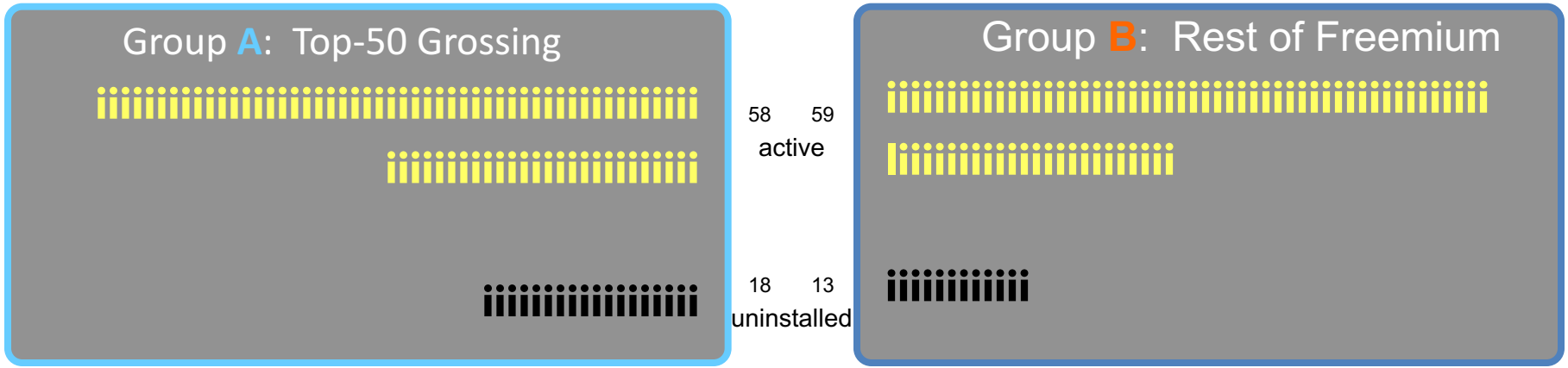
Source: Amazon Appstore, March 2014

Day 1: Active Users



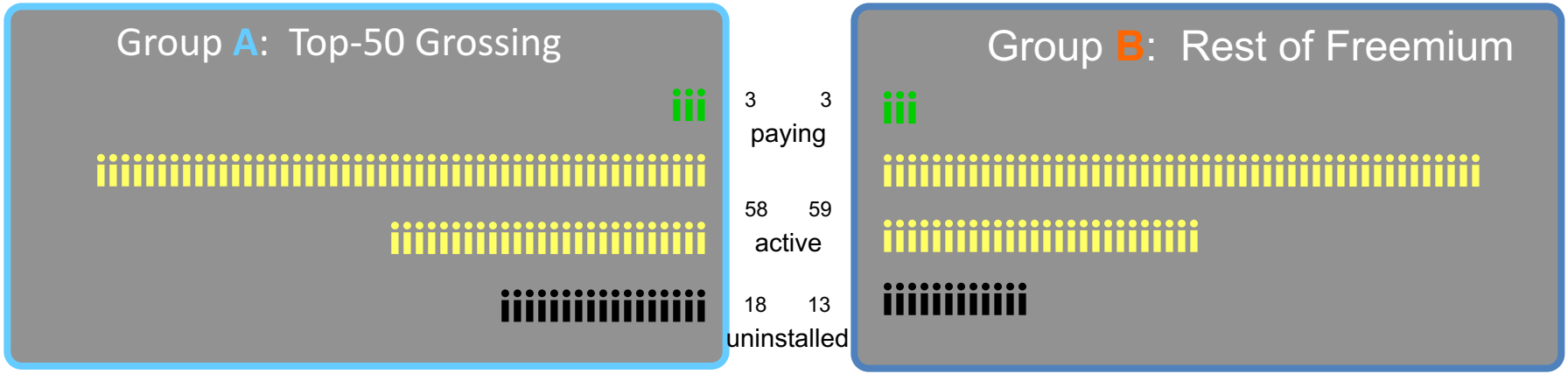
Source: Amazon Appstore, March 2014

Day 1: Uninstalls



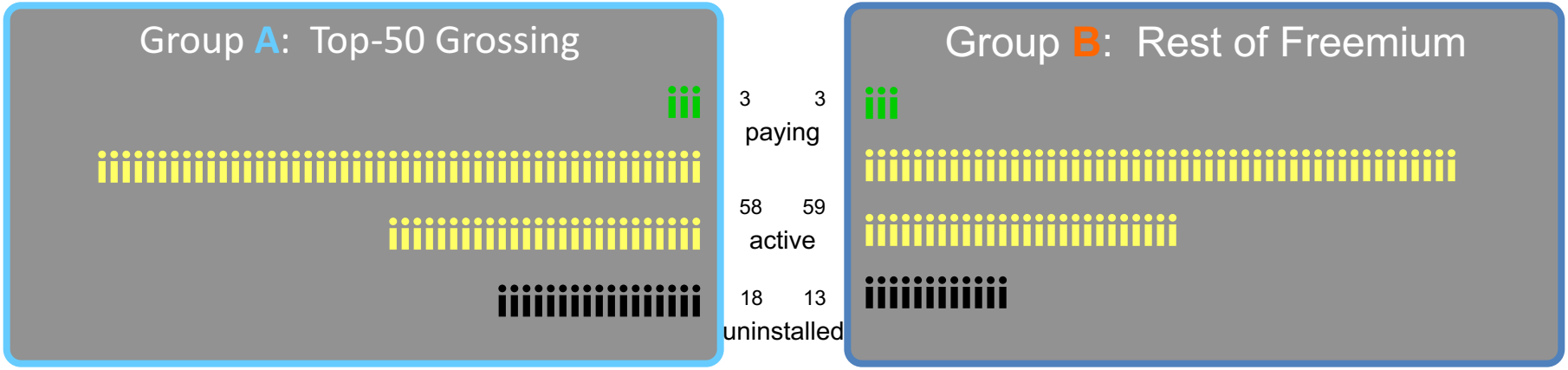
Source: Amazon Appstore, March 2014

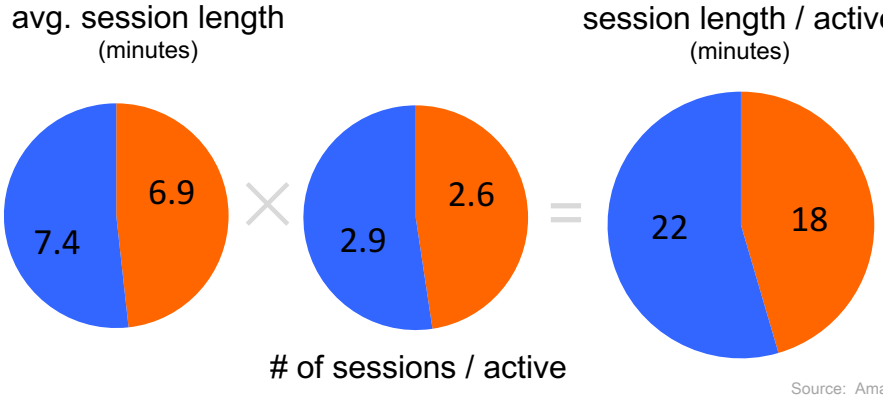
Day 1: Paying Users



Source: Amazon Appstore, March 2014

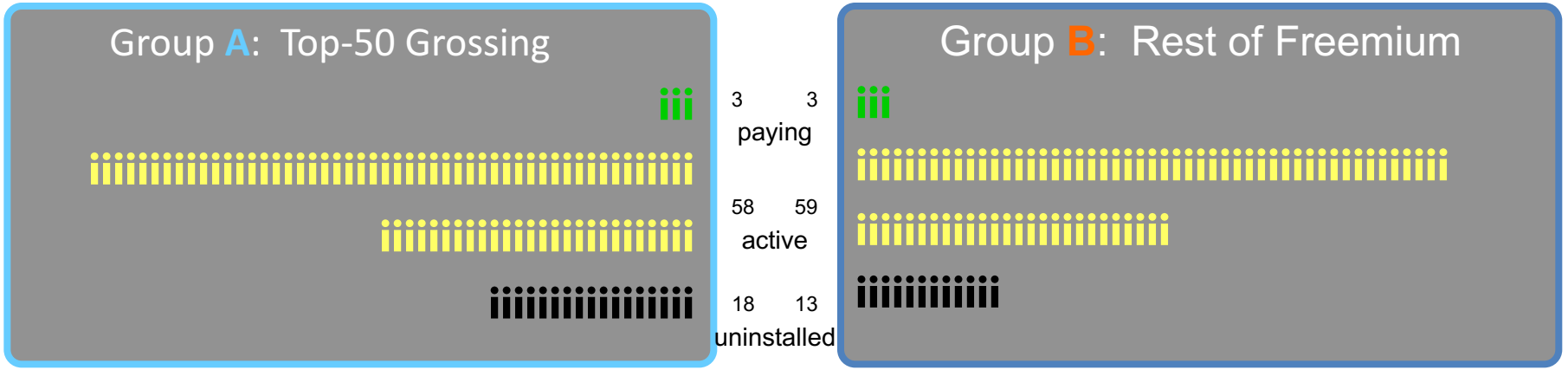
Day 1: Engagement

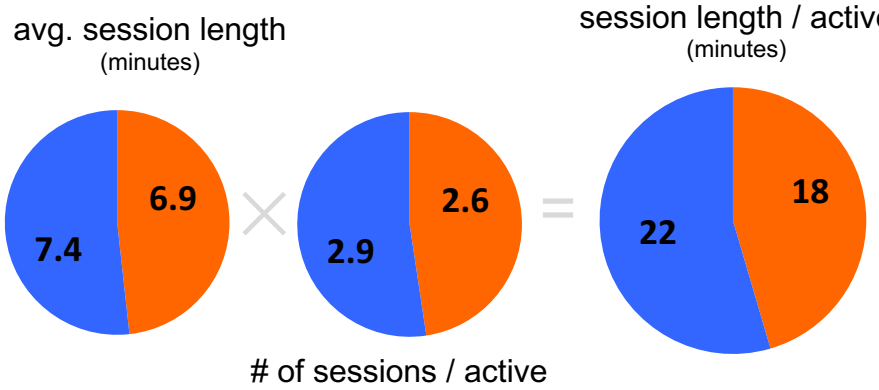




Source: Amazon Appstore, March 2014

Day 1: Revenue

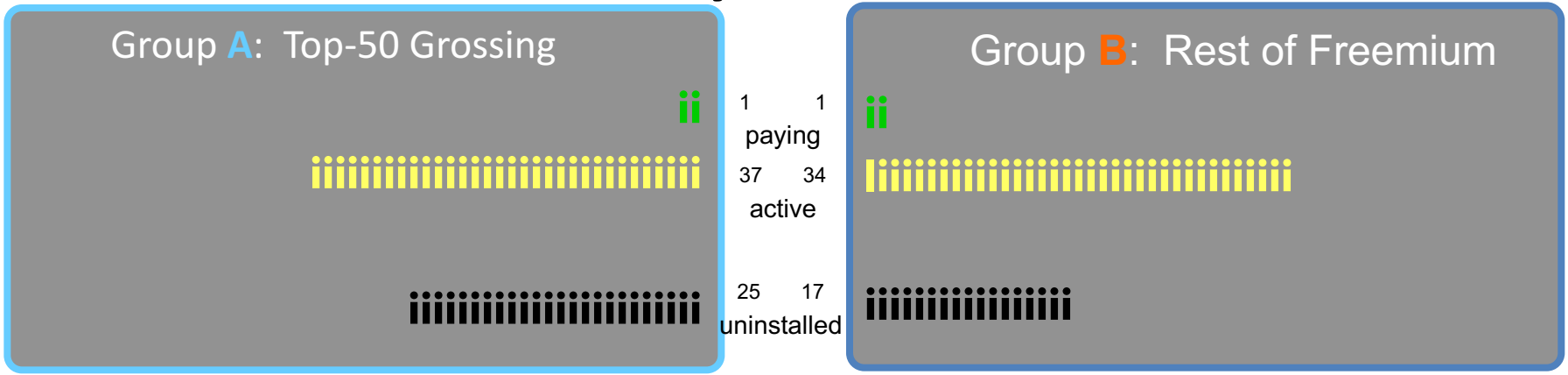


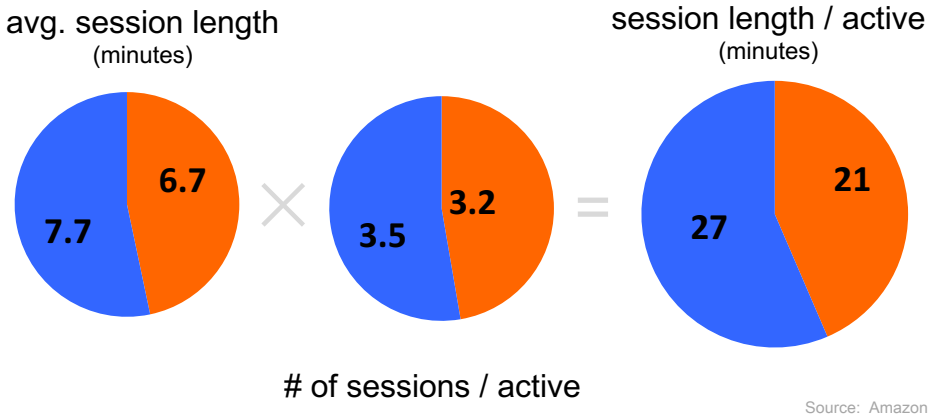




Source: Amazon Appstore, March 2014

1 Day Later…

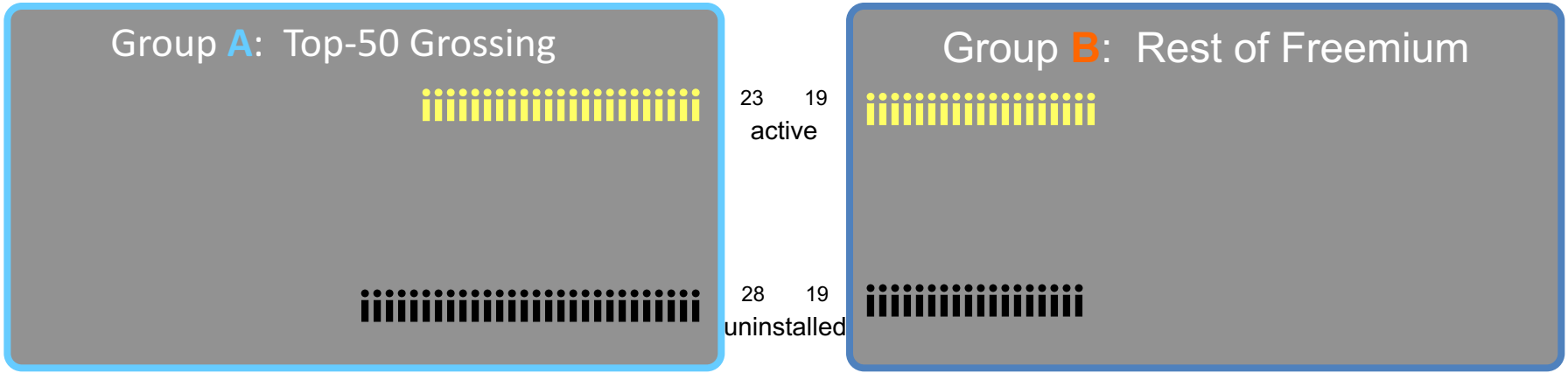


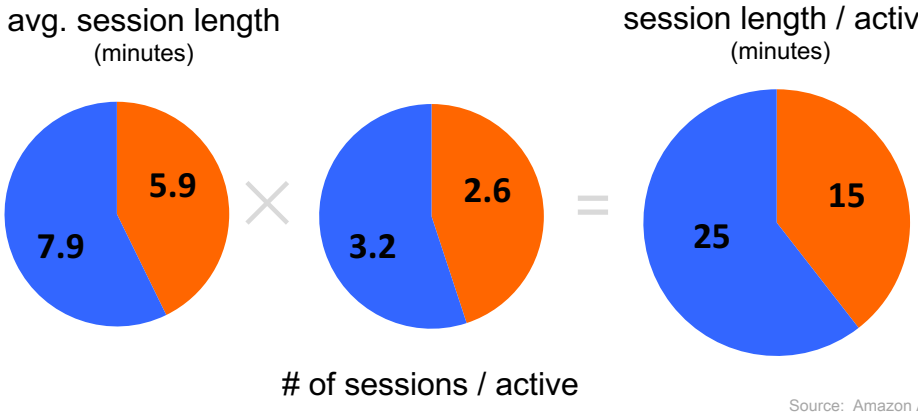




Source: Amazon Appstore, March 2014

3 Days Later…

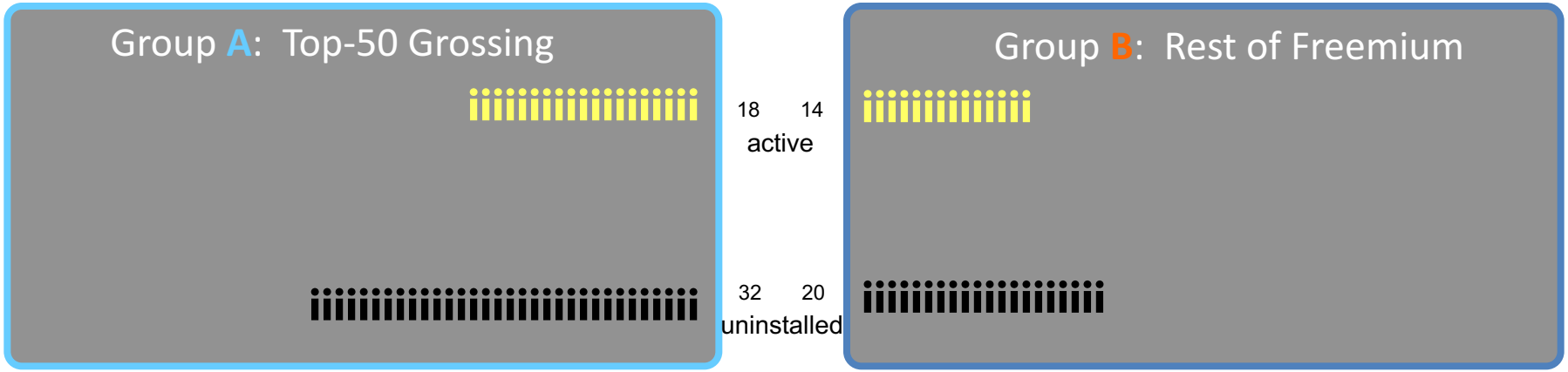


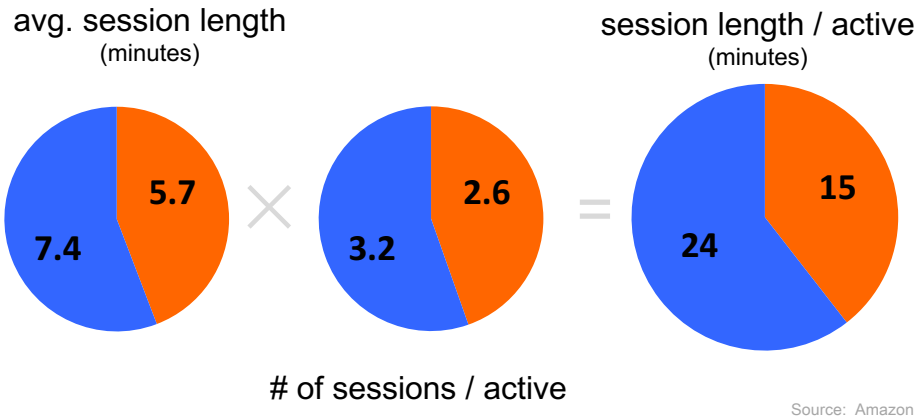




Source: Amazon Appstore, March 2014

1 Week Later…







Source: Amazon Appstore, March 2014

2 Weeks Later…

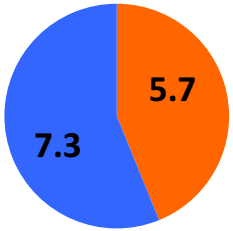
Group A: Top-50 Grossing

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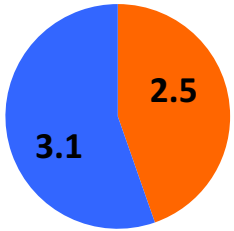
14 10
active

34 21
uninstalled

avg. session length
(minutes)

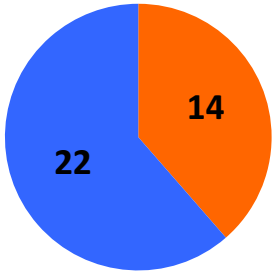


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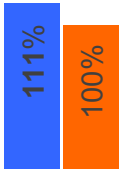


=

session length / active
(minutes)

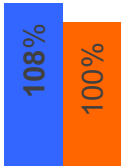


of sessions / active



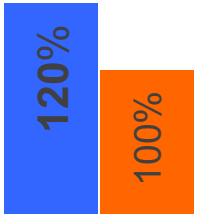
of items / paying

×



avg. selling price

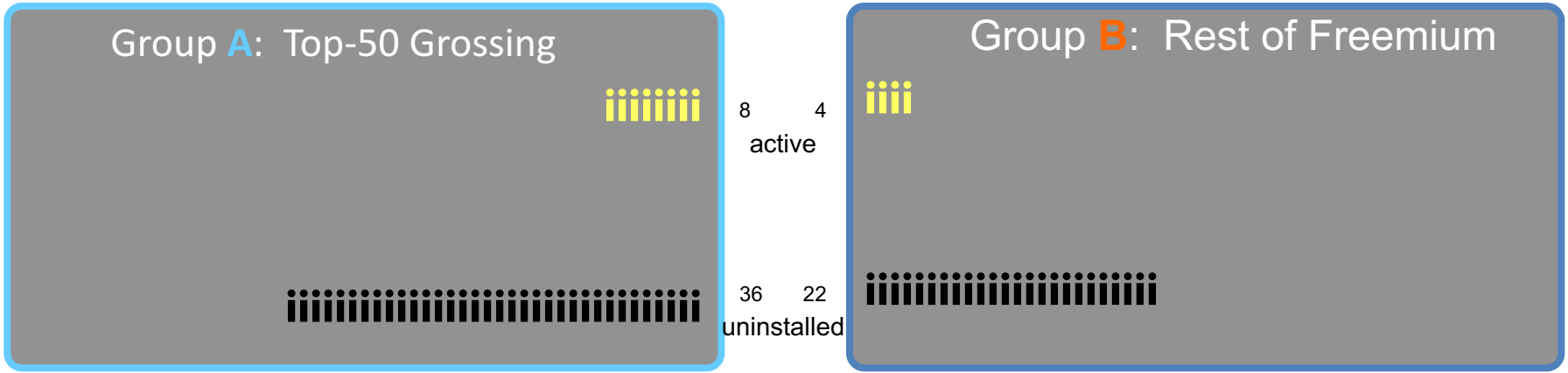
=

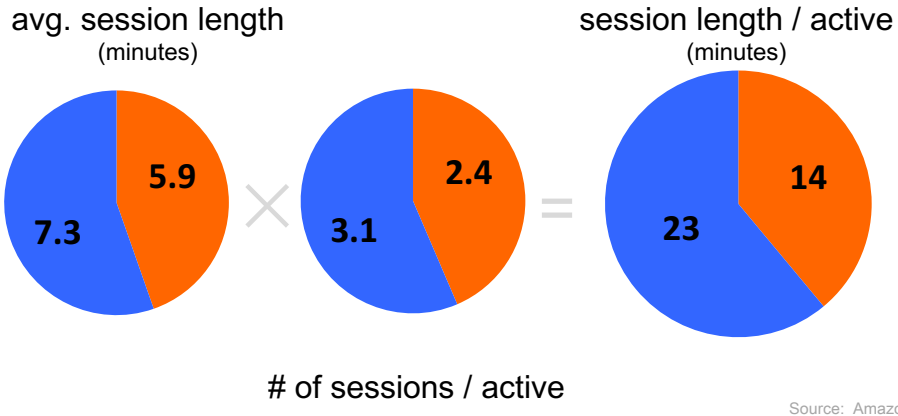


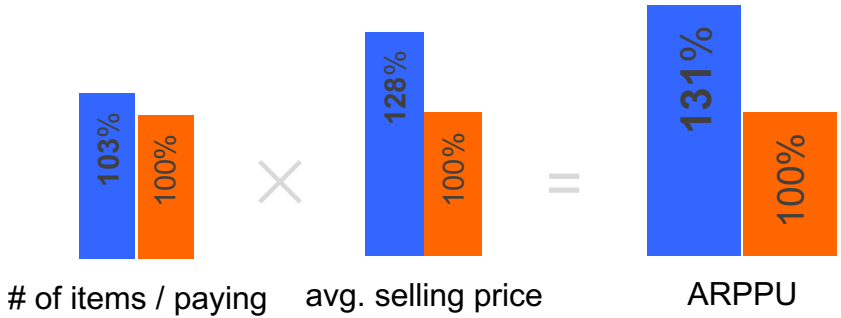
ARPPU

Source: Amazon Appstore, March 2014

1 Month Later…

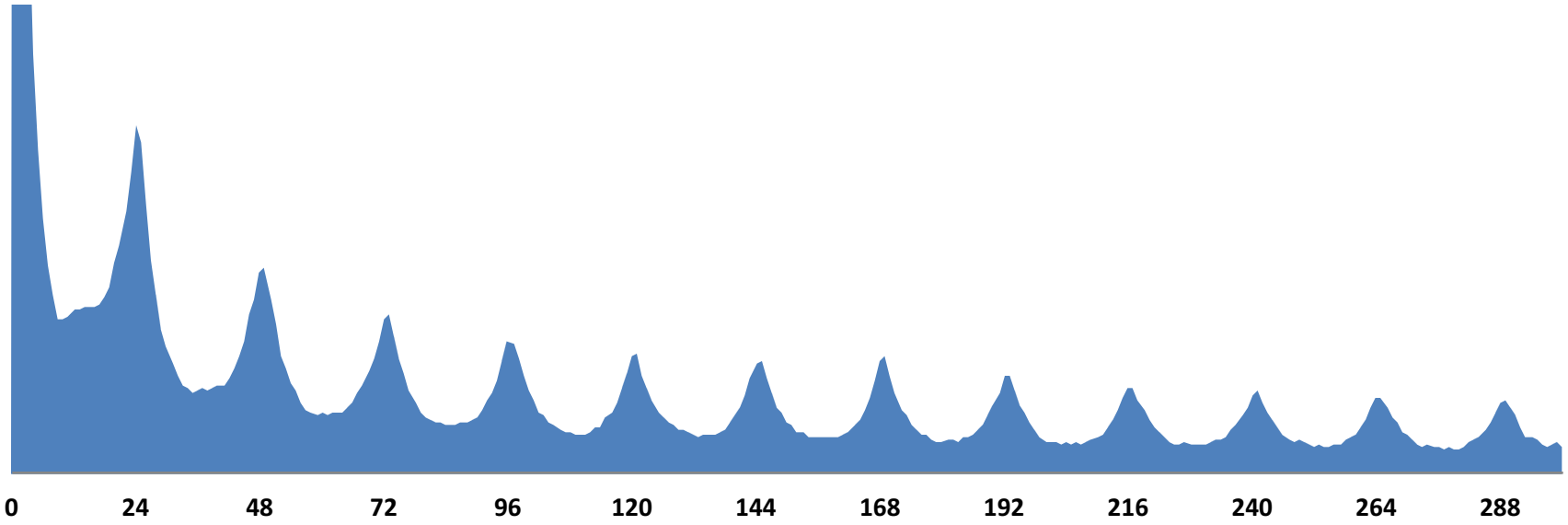






Source: Amazon Appstore, March 2014

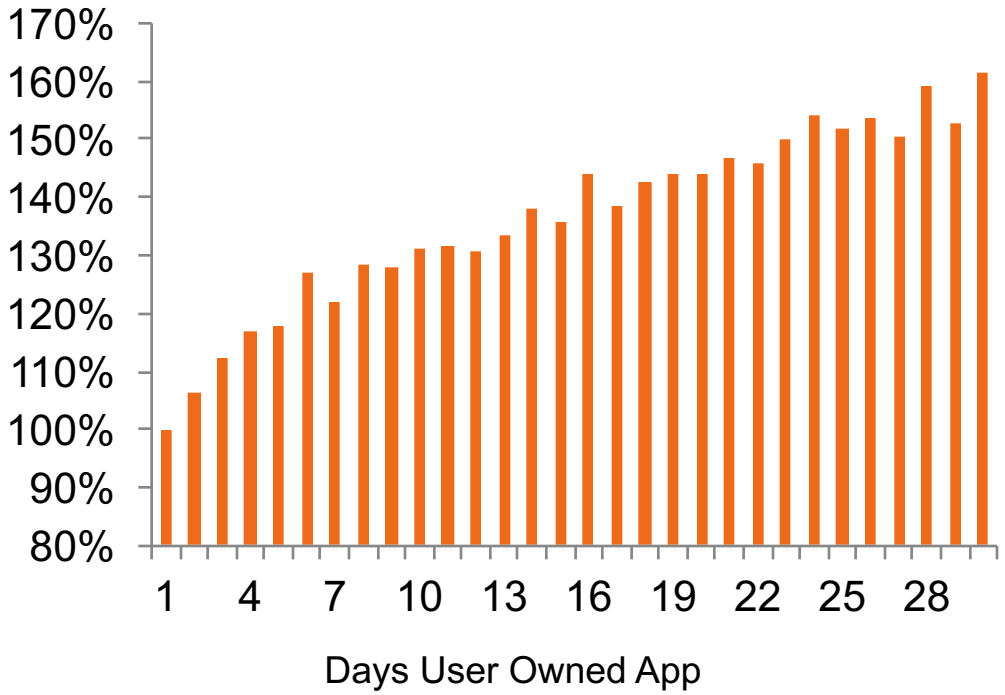
IN-APP PURCHASING BY HOUR



Hours Since App Download

Source: Amazon Appstore, March 2014

PRICE INCREASES OVER TIME



+60%

average selling price

Source: Amazon Appstore, March 2014

WHAT WE LEARNED



The top have higher average price points

You can charge more in the right place and time.



Session length and count are important

Retention is not the only important metric.

TOPIC 2

What the top 50 do differently -- Selling

GIVE THEM A REASON TO COME BACK



MAKE IT EASY TO COME BACK



ENGAGE CUSTOMER EARLY



64% of revenue comes from 3rd order +

74% of revenue occurs after first 7 days

56% of revenue occurs after first 30 days

48% of repeat purchases happen within one hour of a previous purchase

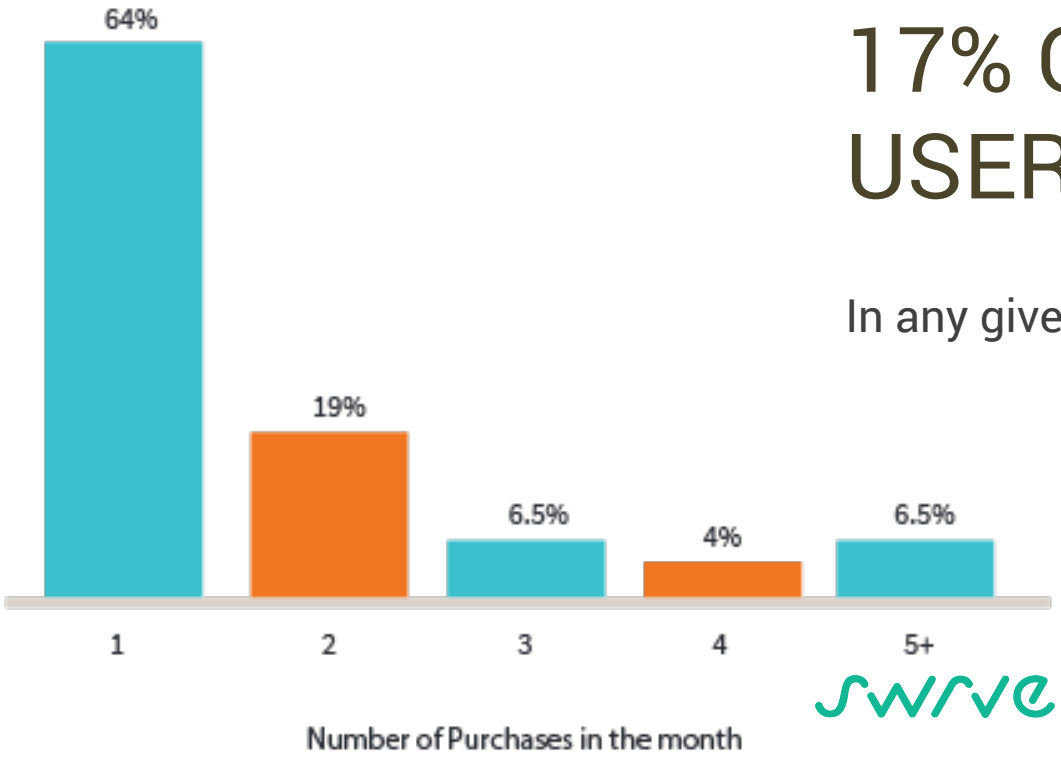
37% of users who will purchase, purchase on the first day

THE TOP DEVELOPERS KNOW THE NUMBERS

2016 Swrve data shows

17% OF PAYING USERS BUY 3+ ITEMS

In any given month.



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GIVE THEM A REASON TO COME BACK



MAKE IT EASY TO COME BACK



ENGAGE CUSTOMER EARLY



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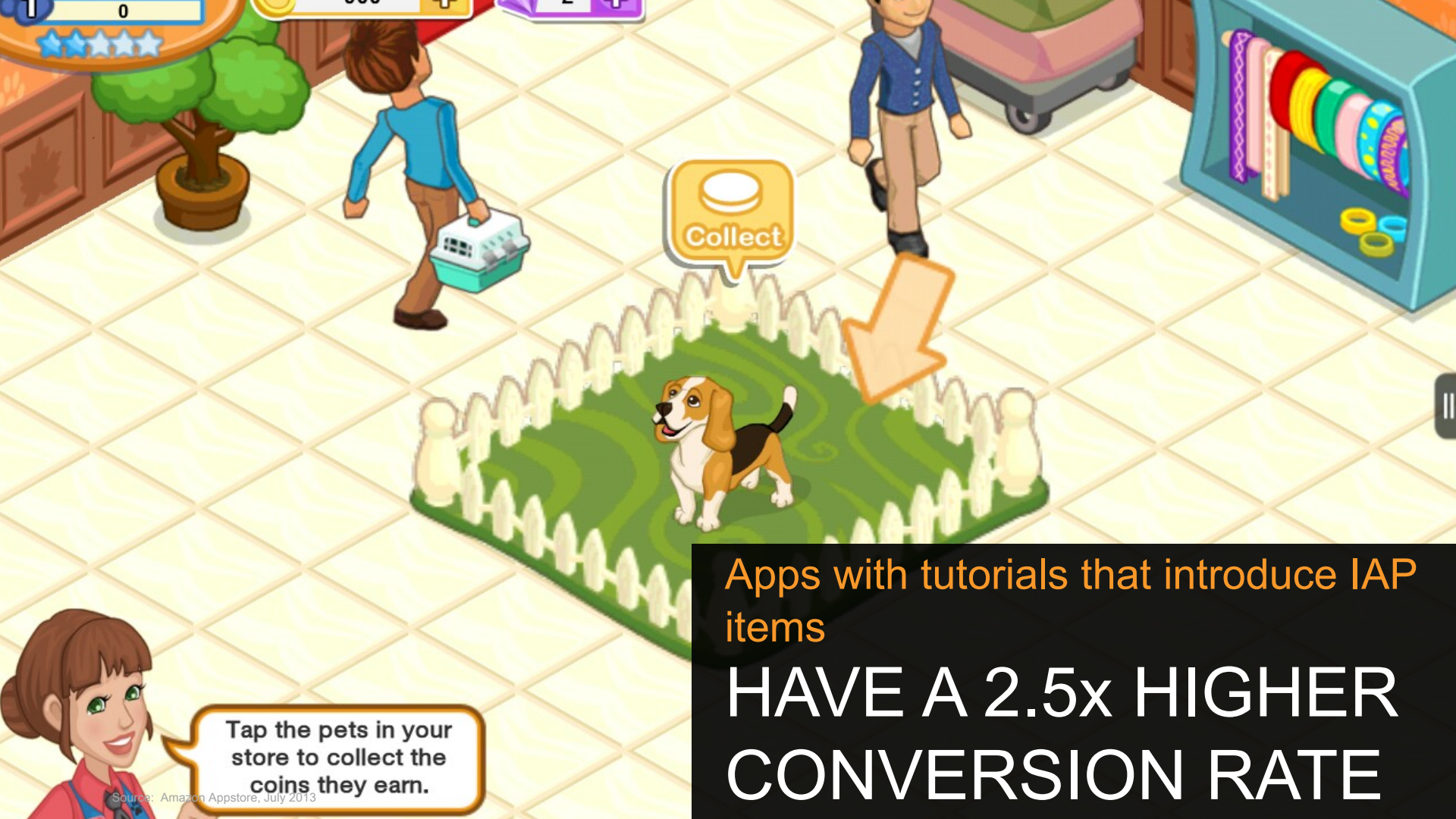
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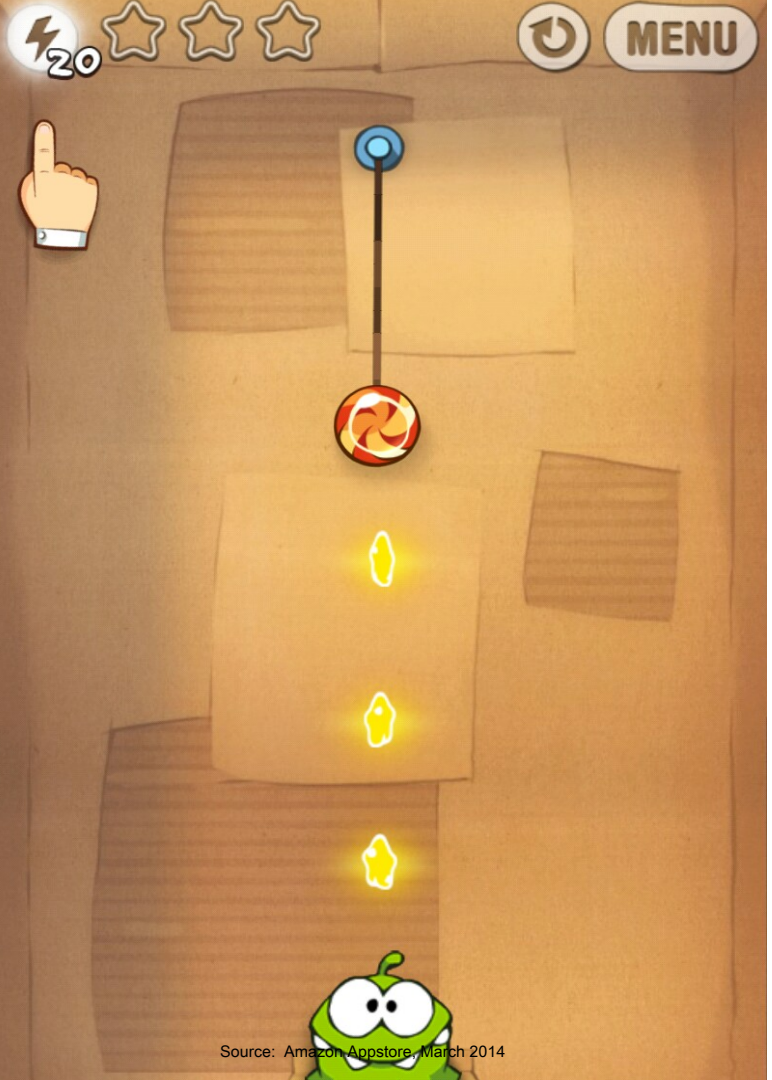
THE TOP DEVELOPERS KNOW THE NUMBERS



Apps with tutorials that introduce IAP items

HAVE A 2.5x HIGHER CONVERSION RATE

Source: Amazon Appstore, July 2013

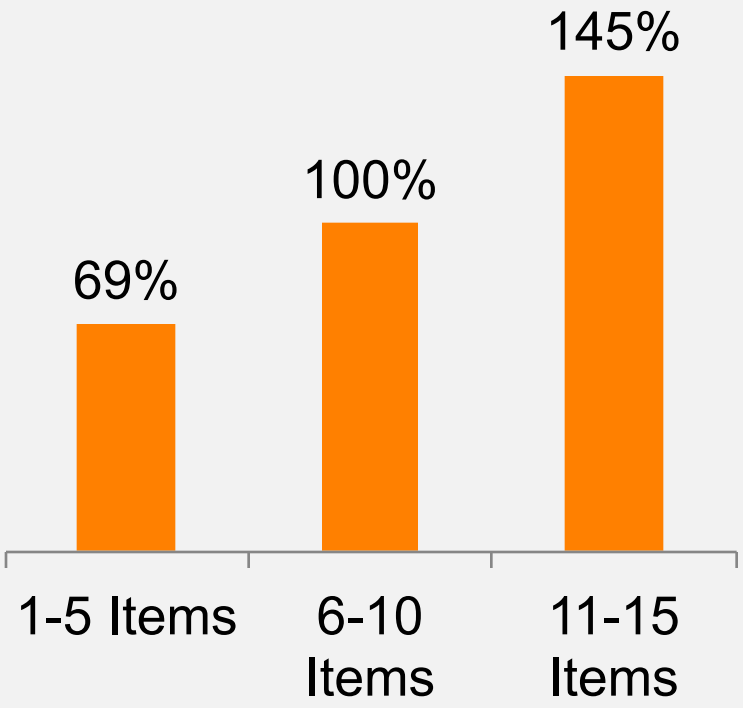


Source: Amazon Appstore, March 2014

Apps showing users how to “consume”

GET MORE REPEAT ORDERS

Games that providing a post-purchasing tutorial generated **65%** more repeat orders than the market average.



ARPPU by # of IAP items for sale

Source: Amazon Appstore, March 2014

Games with bigger selection

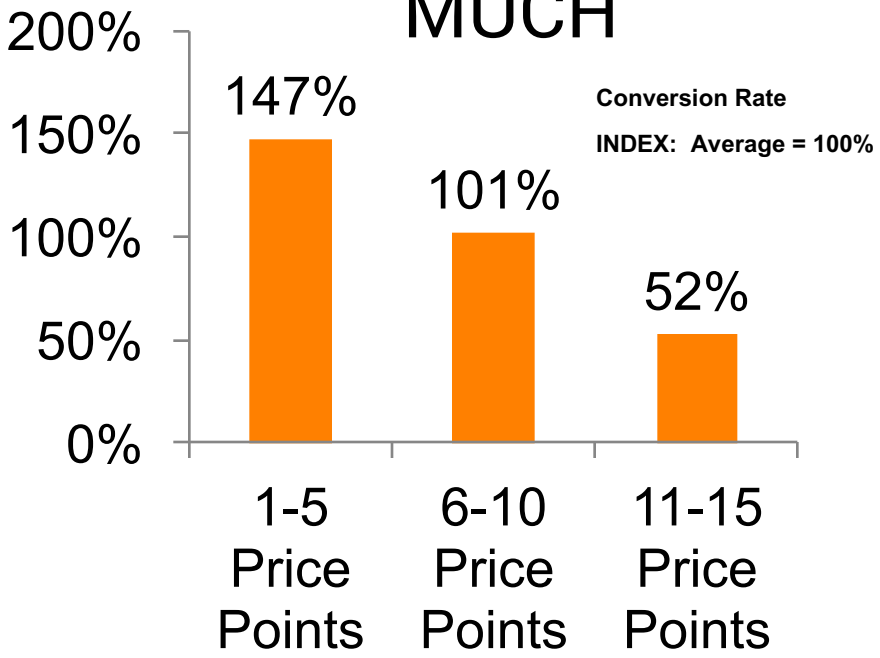
RECEIVE MORE ORDERS PER CUSTOMER

Developers that add new items regularly are able to re-engage their paying customers. 1.14% of the customers generate 30% of sales.

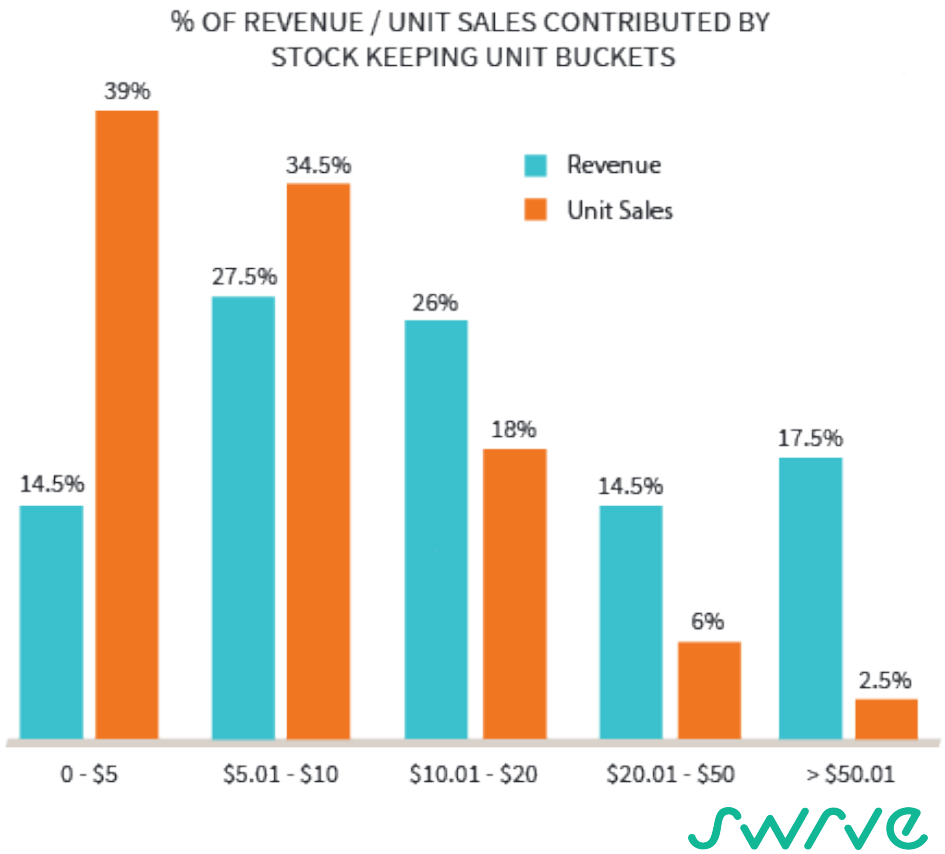


Don’t confuse your customer

OFFER VARIETY, BUT NOT TOO MUCH



Source: Amazon Appstore, March 2014



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Where do apps

GENERATE THE MOST REVENUE

A 2016 study by Swrve shows that disproportional revenue is generated from higher end price points.



To sell more IAP items,

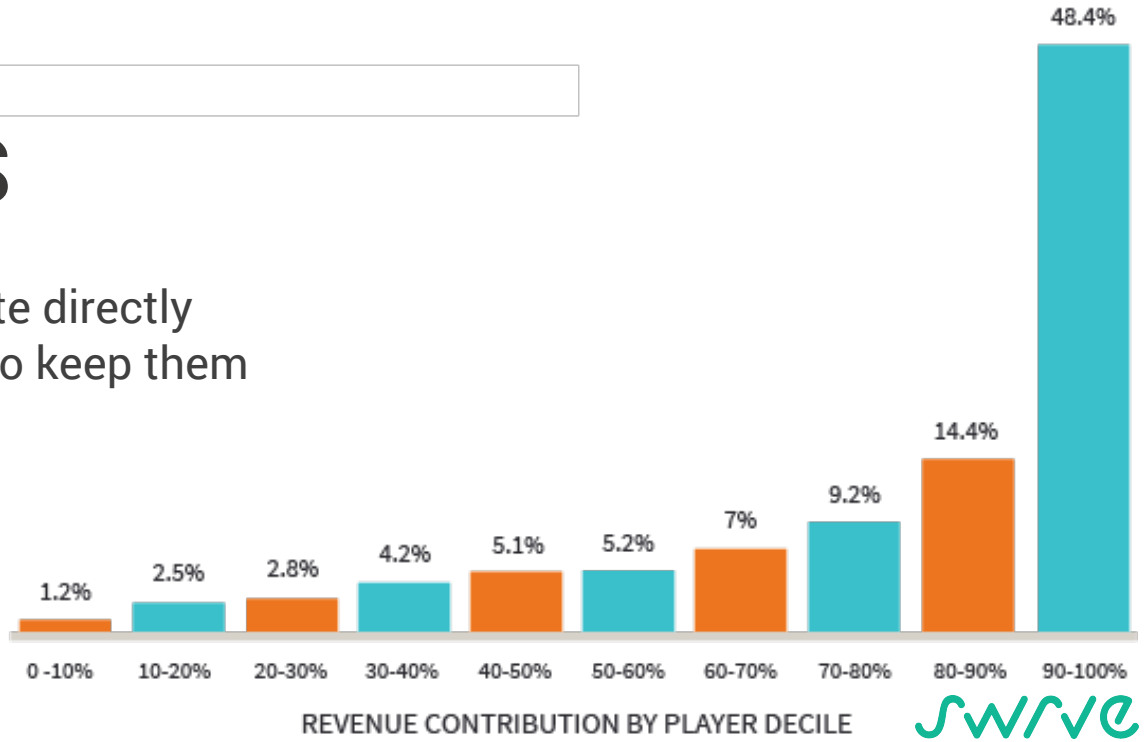
BE CLEAR ABOUT VALUE

Make it obvious what the benefit is for buying different price items. Confused customers don't buy anything.

More than ever it pays to,

TAKE CARE OF YOUR BEST CUSTOMERS

The top apps communicate directly with their top customers to keep them happy and engaged.



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WHAT WE LEARNED



of paying customers generate
30% of sales

Games with bigger selection
RECEIVE MORE ORDERS

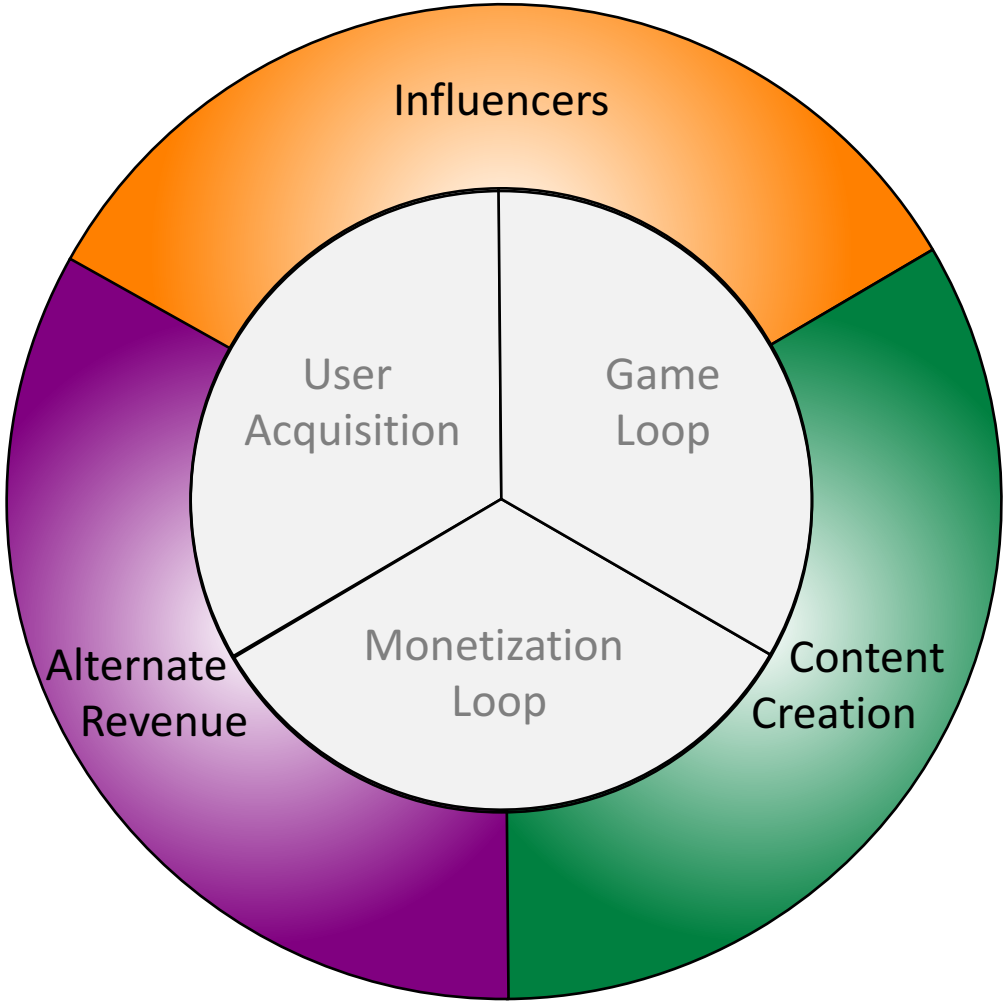
Tutorials that introduce in-app items
HAVE HIGHER CONVERSION

Showing users how to “consume”
GETS REPEAT ORDERS

Treating in-app items like a catalogue
MAKES IT EASY TO SHOP

TOPIC 3

What the top 50 do differently -- Engagement



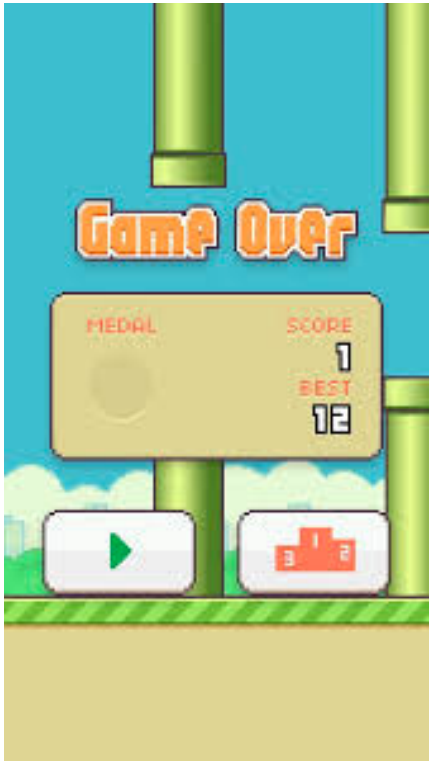
The Top apps

TURN PLAYERS INTO FANS

Top customers are becoming fans with the help of community managers and out-of-app marketing

REDUCE BARRIERS TO FREQUENT USE







Tuning Game Difficulty

WILL ENCOURAGE LONGER SESSIONS

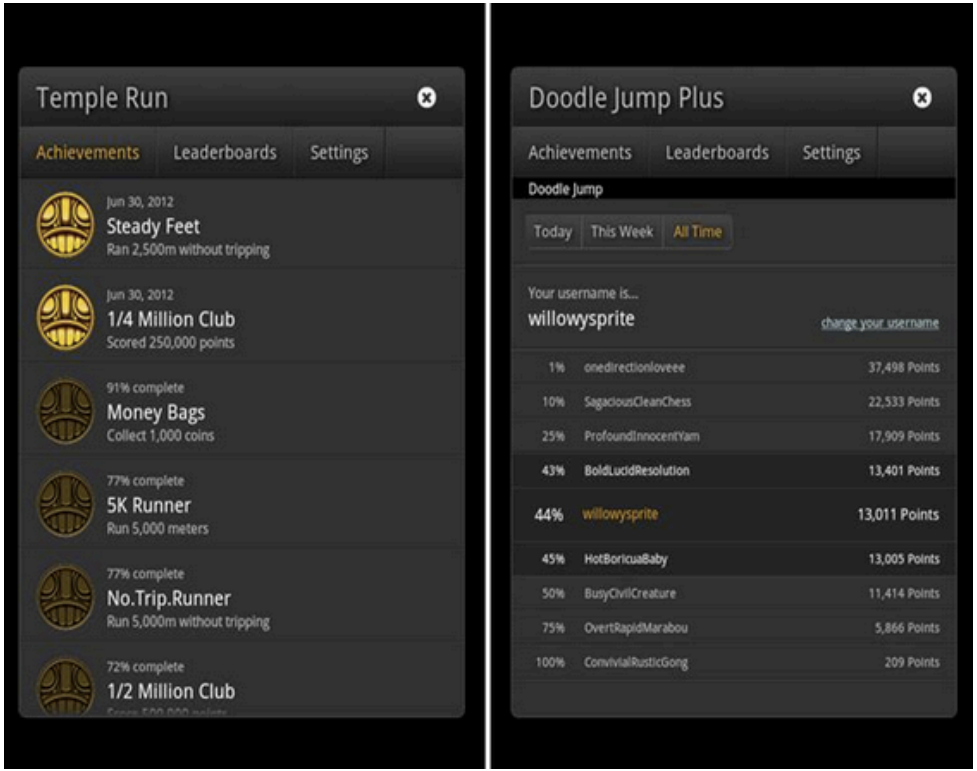
Too hard, and users will abandon. Too easy, and they can get bored. Just right, and it becomes addictive!



Adopting Social

CAN CREATE BUZZ AND KEEP USERS ENGAGED

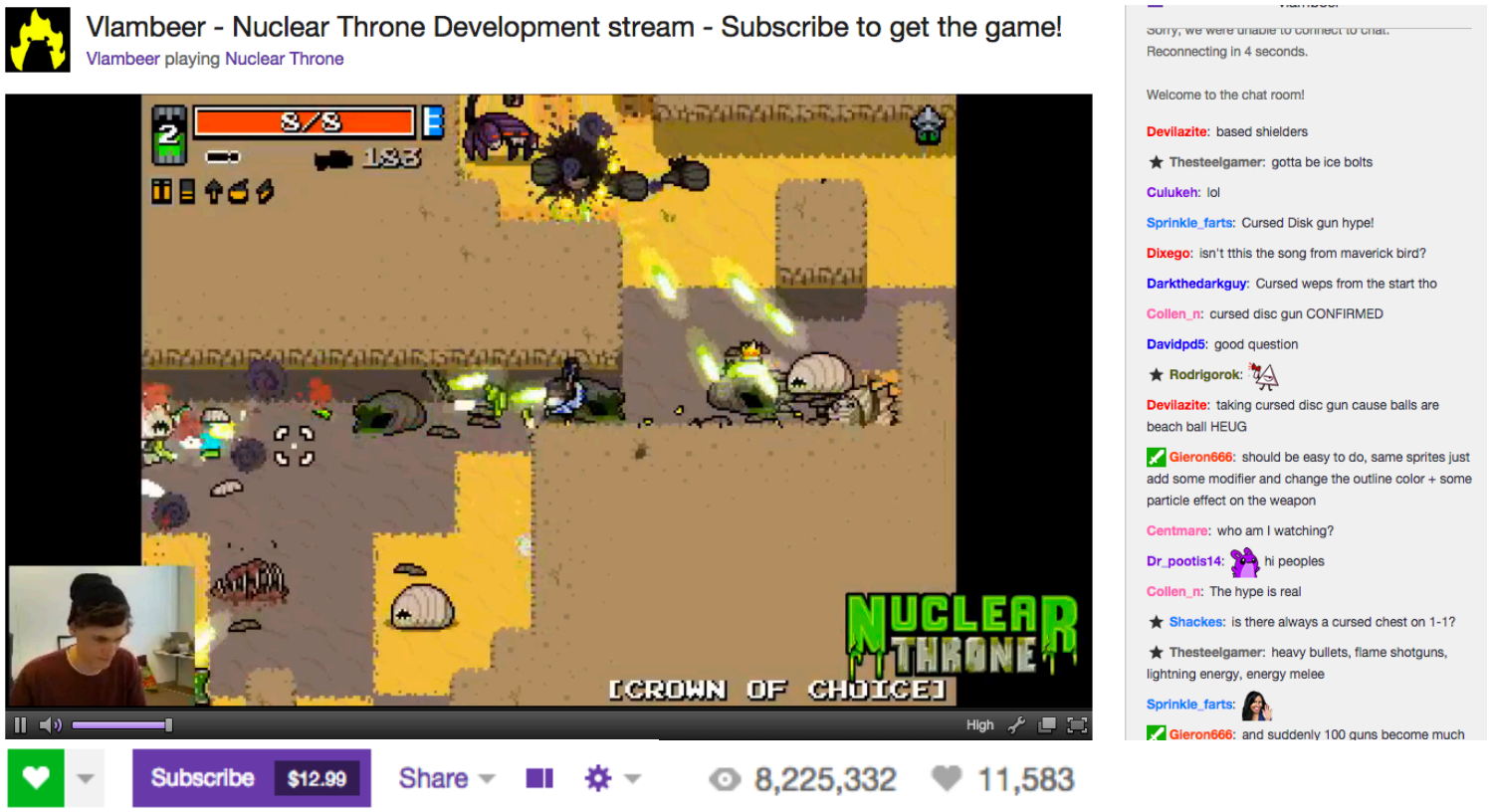
This will result in more friend-to-friend marketing as players share their achievements and ranks. Players will also compete with friends and leaders and stay engaged.



Leaderboards and Achievements are

THE MINIMUM BAR FOR SOCIAL ENGAGEMENT

Example of streaming during development



Fan Art


green
black
pink
Orange








Famous Penguins
by! Starflower 9
Gary
Rockhopper






By Bateiszja6



Design IAP into the fabric of your game

MAKE IT EASY TO BUY

Offering ways to buy your IAP items when they are needed will increase conversion.

Apps that made it easy to shop

INCREASED REVENUE 75% (ARPPU)

Source: Amazon Appstore, March 2014

To be in control,

HAVE A LOT OF LEVERS

Measure with Analytics, and use A|B Testing to fine-tune everything from game difficulty to IAP menu choices.



WHAT WE LEARNED

Add social and tweak game difficulty to

INCREASE TIME AND COUNT OF SESSIONS

Cater to your best and longest customers with clear value

DIFFERENTIATE YOUR IAP CATALOG

Give yourself control of your game in the wild

IMPLEMENT A|B TESTING

IF YOU ONLY DO ONE THING…

Cater to your best and longest customers

DIFFERENTIATE YOUR IAP CATALOG

IF YOU ONLY DO TWO THINGS…

Cater to your best and longest customers

DIFFERENTIATE YOUR IAP CATALOG

Make sure your IAP catalogs are

CLEAR ABOUT VALUE

Learn more:

http://bit.ly/top50iap

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